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SUBJECT: ENVIRONMENTAL MINISTE

SUBJECT: ENVIRONMENTAL MINISTER WINSTON DANG ON TAIWAN'S ENVIRONMENT AND THE UPCOMING ELECTIONS

REF: A. TAIPEI 02360 • B. BEIJING 7110

Classified By: AIT DIRECTOR STEPHEN M. YOUNG FOR REASONS 1.4 B/D

¶1. (C) SUMMARY. Taiwan Environmental Protection Agency (TEPA) Minister Winston Dang told the Director on November 14 that President Chen Shui-bian's outspokenness on Democratic Progressive Party (DPP) issues has caused problems for both the party and presidential candidate Frank Hsieh. Dang said he hopes to invite former colleague and USEPA Secretary Steve Johnson for a visit to Taiwan. OnQnvironmental issues, Dang expressed concern about transboundary airQollution from the PRC which is depositing mercury, arsenic and dioxins in neQhboring countries and the U.S. Dang said TEPA was being pressured by President Chen to approve completion of major infrastructure projects in spite of the controversies they generate (ref a) and that the environmental impact assessment (EIA) process was being modified to make it more tractable. END SUMMARY

CHEN OUTSPOKENNESS NOT HELPFUL

 $\P2$. (C) Dang noted that President Chen, as DPP Party Chairman, cannot keep quiet on party issues as the presidential elections loom closer. Dang admitted that Chen's statements have harmed the DPP's image and cohesion and said the DPP Central Executive Committee might discuss this issue on November 15. However, Dang said he felt confident the DPP would win 50 seats in the upcoming legislative elections, particularly with the recent defections of four Taiwan Solidarity Union (TSU) members and one Kuomingtang (KMT) member to the DPP. He was confident of the DPP's ability to attract women, minorities and disabled to its ranks and said the party's leadership was younger and more dynamic than its KMT opponents. Dang was positive about presidential candidate Frank Hsieh, pointing out that Hsieh is calm, not prone to come out with rash decisions, and has focused on the state of the economy. Dang also praised vice-presidential candidate Su Tseng-chang for contributing to party unity and agreeing to run with Hsieh.

KMT LEADERSHIP --A SHAMBLES

13. (C) Dang (a deep green DPP member) had nothing good to say about the opposition KMT party. He felt the KMT leadership was run by a clique of old-timers who included no scholars or minorities but only unimaginative leaders such as

Party Chairman Wu Poh-hsiung. Dang believes that Wu will promise to take care of any party problems but won't be able to deliver. If the KMT loses this election, it will take them 10-to-20 years to regain their position. Dang repeated familiar accusations that KMT presidential candidate Ma is a former "campus spy" who while a Harvard student reported on anyone opposing the KMT regime in Taiwan. (Note: Dang was blacklisted for decades and could not return to Taiwan until the ban was lifted under the DPP).

POLLUTION FROM THE MAINLAND

14. (C) Dang expressed concern about increasing levels of transboundary air pollution from the PRC, which he claimed is depositing mercury, arsenic and possibly dioxins on the island and other countries including the U.S. The Director asked him if he had met with his mainland counterpart, and Dang said the PRC has so far been unresponsive to his overtures for such a meeting. Dang said a joint Taiwan-U.S. weather station on top of Mt. Lulin (next to Mt. Yushan) in south-central Taiwan is gathering data on pollutants coming from the mainland and he hoped to be able to discuss its findings with his PRC counterpart. According to Dang, China is emitting as much as 40 percent of the world output of mercury into the atmosphere. This is being transported by dust storms which periodically blanket the industrial areas of China, in particular Shandong province. Dang would like to engage the PRC environment minister, but was not hopeful about the prospects.

INVITE TO EPA ADMINISTRATOR

15. (C) Dang wants to invite USEPA Administrator Steve Johnson, a former colleague from his time in USEPA, to visit Taiwan and discuss global warming and bilateral environmental issues (note Dang spent 15 years working at USEPA). The Director told Dang, that the current atmosphere makes it difficult for such a visit to take place, because the Chen administration has repeatedly pushed on issues such as the WHO membership and the UN referendum which in the U.S. view were not helpful in maintaining cross-Strait stability. The Director indicated that if such a visit becomes possible, it would probably

have to take place under the auspices of Trade and Investment Framework Agreement (TIFA) talks or a regional conference.

HYBRIDS IN TAIWAN?

16. (C) Dang said he had just participated in a Legislative Yuan session discussing the conversion of gasoline powered vehicles to liquid propane gas (LPG), a measure which would save energy costs and lower pollution. The Director suggested to Dang that Taiwan could benefit from the introduction of hybrid vehicles (gas and electric), which are becoming increasingly popular in the U.S., by providing the right incentives to industry and the public to encourage their use. Dang agreed and said he would broach the idea with President Chen.

CSB'S PET PROJECT--THE SUHUA EXPRESSWAY

17. (C) Of the major infrastructure projects, the Suhua expressway project has been the most controversial, Dang noted. Critics have slammed it as a wasteful and unnecessary project which will adversely affect the economy of the east coast by lowering occupancy rates in hotels and business in general. Dang said President Chen is committed to completing the project in order to address the periodic closures of the eastern coastal highway caused by typhoons or earthquakes. Dang said building a new expressway may not be a good idea economically but special interests are keen to see it completed. The project has undergone a second environmental

impact assessment (EIA) and is being reviewed by the Ministry of Transportation.

APPLYING USEPA EXPERIENCE TO TAIWAN

 $\underline{\$}$ 8. (C) Dang was optimistic about his ability to reform TEPA. He cited in particular his efforts to reform the EIA process by limiting the participation of NGO's, although not excluding those with prior involvement. He said Taiwan NGO's are too keen to object to industrial and infrastructure projects and their emotional interventions during the EIA review do not reveal a clear understanding of the EIA process. Dang wants to focus on proper procedure in order to provide a reasoned assessment of the merits of a project and to disentangle the numerous proposals that have stalled due to the objections of some EIA members. He refuted media allegations that the EIA process is not transparent.

COMMENT

19. (C) Winston Dang, formerly a DPP legislator and the party's International Affairs Director, has been actively involved in DPP party politics for a long time. He worked in the USEPA for fifteen years before returning to Taiwan early in this decade. Although his focus currently is on the environment, he can, by virtue of his long-standing involvement in the DPP, provide us with a useful take on current developments within the party. YOUNG